

# **EXHIBIT I**

**USEM**

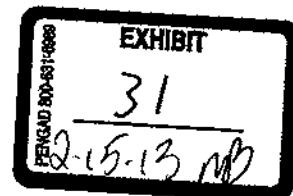
**Annual Membership**  
**Meeting**

**Oct. 22, 2004**

**New Orleans**

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**United States Egg Marketers (USEM)  
Annual Membership Meeting  
October 22, 2004  
New Orleans**

**Current Officers:**

**Larry Seger – Chairman**

Chuck Elbe **Butch DeVries – Vice Chairman**

**Roger Deffner – Secretary**

**Jim Brock – Treasurer**

**AGENDA**

- |  |                         |
|--|-------------------------|
| <b>1. Call To Order &amp; Introductions</b>      | <b>Larry Seger</b>      |
| <b>2. Chairman's Comments</b>                    | <b>Larry Seger</b>      |
| <b>3. Minutes of Previous Meeting</b>            | <b>Roger Deffner</b>    |
| <b>4. Membership Report</b>                      | <b>Gene Gregory</b>     |
| <b>5. Financial Report</b>                       | <b>Jim Brock</b>        |
| <b>6. Marketing Conference Call</b>              | <b>Phyllis Blizzard</b> |
| <b>7. Future Export Opportunities</b>            | <b>Gene Gregory</b>     |
| <b>8. Election of Executive/Export Committee</b> | <b>Butch DeVries</b>    |
| <b>9. Election of Officers</b>                   | <b>Butch DeVries</b>    |
| <b>10. Old/New Business</b>                      | <b>Larry Seger</b>      |
| <b>11. Adjourn</b>                               |                         |

**United States Egg Marketers (USEM)  
Annual Membership Meeting  
October 24, 2003  
Albuquerque, New Mexico**

**Minutes**

Call To Order: Chairman Larry Seger called the meeting to order at 7:00 AM with the following being present:

Larry Seger – David Lathem – Jim Brock – Jim Dean – Paul Osborne – Wayne Mooney  
Bob Pike – Chuck Dynes – Amon Baer – Dolph Baker – Butch DeVries – Derek Yancey  
Roger Deffner – Joe Fortin – Steve Herbruck – Chuck Elste – Wayne Carlson – Ric Sundal  
Gary West – Joe Maust – Kurt Kreher – John Mueller – Barrie Wilcox – Bob Krouse  
Mike Bynum – Al Schimpf – Galan Merrill – Cliff Lillywhite – John Sperry –  
David Thompson – Catherine Dean – Wayne Clapper – Rick Brown – Al Pope  
Linda Reickard – Phyllis Blizzard – Chad Gregory – Gene Gregory

Chairman's Comments: Seger reported that prices in Europe were at record high prices and that we had interest in purchasing eggs for delivery starting immediately through mid-December from three of our European customers.

Minutes: Secretary Roger Deffner presented the minutes from previous meeting.

Motion: It was moved by Dean and seconded by Fortin to approve the minutes. Carried.

Membership Report: Gene Gregory reported the current membership to include 68 companies representing the ownership of 109 million layers. He reported that seven (7) new members had been added and three (3) members had been lost since the last annual meeting.

Marketing Conference Call: Phyllis Blizzard reminded the members of the marketing conference call held three days each week and the importance of this call in price discovery. She reported that Uner Barry was informed after each call of the market conditions as viewed by those on the call.

Financial Report: Treasurer Jim Brock requested Gene Gregory to present the report. He reported that through August 31, 2003 that the organization had an equity position of \$175,897.00 of which \$46,378.00 was contributed from net income for the current year. During the year, more than \$2.7 million dollars of eggs sales through exports had occurred.

Gregory announced that while UEP was not at this time asking for the \$50,000.00 management fee to be increased for 2004, he did feel that UEP was spending far more than the amount paid and that USEM was getting a bargain.

Motion: It was moved by Pike and seconded by DeVries to approve the 8/31/2003 financial reports. Carried.

Export Sales: Seger and Gregory reviewed the export sales since UEP has assumed the management of USEM. They pointed to a total of 836 loads having been sold through five (5)

different periods to three (3) separate European customers. They pointed that when viewed in total, that USEM had not taken orders at less than breaking stock values.

Report of Nominating Committee: Chuck Dynes reported that the committee met via conference call on September 30<sup>th</sup>. He reported that the committee would like to recommend that the number of members of the Executive/Export Committee be increased to 13 members. He submitted the following motion:

**Motion:** It was moved by Dynes and seconded by DeVries to change the by-laws to read that the Executive/Export Committee be expanded to 13 members so that all geographically regions could be represented. Carried.

Dynes then submitted a slate of nominations for the members of the Executive/Export Committee. **Motion:** It was moved by Dynes and seconded by Brock to elect Paul Bahan – Dolph Baker – Jim Brock – Gregg Clanton – Jim Dean – Roger Deffner – Butch DeVries – Chuck Elste – Joe Fortin – Wayne Mooney – Bob Pike – Larry Seger – Derek Yancey. There being no further nominations, the slate was unanimously elected.

Election of Officers: Dynes then nominated the following to be elected as officers:

**Motion:** It was moved by Dynes and seconded by Fortin to elect the following as officers: Motion carried.

**Chairman – Larry Seger**  
**Vice Chairman – Butch DeVries**  
**Secretary – Roger Deffner**  
**Treasurer – Jim Brock**

Future Export Opportunities: Seger reported that three (3) European customers had expressed interest in purchasing eggs for delivery before the end of 2003. The members expressed both their support for an export and their concerns for the inability of filling an export at this time. Some expressed concern that we might be short of eggs to even fill the domestic demand. Prices greater than 90 cents per dozen were discussed.

After considerable discussion, it became a consensus of the members that we not enter into any negotiations until after the first of the year of 2004.

Adjourn: There being no further business to conduct, the meeting was adjourned at 8:00 AM.

Recorded by: Gene Gregory

**United States Egg Marketers**

Sept. 2004

<b>Company</b>	<b>Member</b>	<b>State</b>	<b>Region</b>
AAA Egg Farms	Paul Bahrn	Ca.	West Coast
Active Feed Co.	Joe Maust Jr.	Mi.	Midwest
Baer Bros.	Amon Baer	Mn.	Midwest
C & K Egg Co.	Harold Kelly	Al.	Southern
Caldwell Foods	Billy Caldwell	Ar.	Southern
Cal-Maine Foods	Dolph Baker / Ken Looper	Ms.	Southern
Center Fresh Foods	Bruce Dooyema / Jim Dean	Ia.	Midwest
Country Charm Egg Dist.	Vince Booker	Ga.	Southern
Crystal Farms	Jim Brock	Ga.	Southern
Dakota Layers Coop.	Glen Hickman	SD.	Midwest
Dooyema & Sons	Bruce Dooyema	Ia.	Midwest
Dynes Farms, Inc.	Chuck Dynes	Wa.	Northwest
Egg & I (ISE)	Gregg Clanton	SC	Southern
English River Pellets	Edwin Hershberger	Ia.	Midwest
Glenwood Foods/Braswell	Scott Braswell/Bob Pike	NC	Southern
Green Forest Egg Co.	Bill Priakos	AR	Southern
Hamilton Farm Bureau	Bern Diekema	Mi.	Midwest
Herbruck's Poultry Ranch	Steve Herbruck	Mi.	Midwest
Hertzfeld Poultry Farm	Tom Hertzfeld Jr.	Oh.	Midwest
Hillandale of Florida	Jack Hazen	Fl.	Southern
Hillside Poultry Farm	Ronald Gayman	Pa.	Northeast
Hoyleton Feed Store & Mill	Curt Kuhlengel	Il.	Midwest
ISE America	Gregg Clanton	Md.	Northeast
ISE - Newberry	Doug Wicker	SC	Southern
James Farm	Keith James	Al.	Southern
Kokkoff Egg Farm	Joe Fortin	Ct.	Northeast
Konos, Inc.	Tim Vandebunte	Mi.	Midwest
Kreher's Poultry Farm	Kurt Kreher	NY	Northeast
Latham Egg Farm	David Latham	Ga.	Southern
Layer's, Inc.	Larry Seger	In.	Midwest
M & M Poultry	Jerry Kil	Ct.	Northeast
Mallquist/Pearl Valley	Butch DeVries / David Thompson	Il.	Midwest
Mahard Egg Farm	Ernest Mahard	Tx.	Southern
Maxim Production	Vincent Reina	Tx.	Southern
Merrill's Egg Farm	Galen Merrill	Id.	Northwest
Midwest Poultry Services	Bob Krouse	In.	Midwest
Moark Productions	Arnie Sumner	Mo.	Midwest
Morning Fresh Farms	Derek Yancey	Co.	Midwest
National Food Corp.	Roger Deffner	Wa.	Northwest
Norco Ranch	Craig Willardson	Ca.	West Coast
North Alabama Egg Co.	Gerald Hilley	Al.	Southern
NuCal Foods, Inc.	Charles Elste	Ca.	West Coast
Oakdell Farms	Kent Woodward	Wa.	Northwest
Pilgrims Pride	Wayne Mooney	Tx.	Southern

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Rolling Hills Egg Co.	James White	Oh.	Midwest
Rocky Mountain Foods	Chuck Elste	Ut.	Northwest
S & R Egg Farm	Al Schimpf	Wi.	Midwest
Simpson's Eggs	Richard Simpson	NC	Southern
Roy Smith Farm	Roy Smith	NY	Northeast
Sparboe Companies	Wayne Carlson	Mn.	Midwest
Sperry Farms	John Sperry	Pa.	Northeast
Sunrise Acres	Dick Patmos	Mi.	Midwest
Tampa Farm Service	Mike Bynum	Fl.	Southern
United Egg Marketing	Andrew Bowers	Ga.	Southern
Weiss Lake Egg Co.	Ralph Bradley	AL.	Southern
Wilcox Farms	Barrie Wilcox	Wa.	Northwest
Zephyr Egg Co.	Danny Linville	Fl.	Southern

**Total Layers = 109,348,633**

**Regional Breakdown:**  
**Northeast = 8,836,451**  
**Southern = 53,824,380**  
**Midwest = 30,760,520**  
**Northwest = 5,349,000**  
**West Coast = 10,578,280**

NuCal Foods includes their cooperative members as follows:

Rainbow Farms - Valley Fresh Foods - Gemperle Enterprises - Sunrise Farms - Liberty Farms and J.S. West Milling Co.

Rocky Mountain Foods includes: Fassio Egg Farm - Rigtrup Poultry and Shepherd & Sons.

**United States Egg Marketers (USE)****Balance Sheet Report**

As of: 08/31/2004

09/08/2004

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<b>Assets</b>		
Cash	26,050.29	
Cash - MM	92,909.26	
Prepaid Expenses	1,175.00	
<b>Total Assets</b>		<b>\$120,134.55</b>
<b>Liabilities</b>		
<b>Total Liabilities</b>		<b>\$0.00</b>
<b>Equity</b>		
Paid in Capital	19,017.84	
Retained Earnings	138,034.64	
Net Income / (Loss)	(36,917.93)	
<b>Total Equity</b>		<b>\$120,134.55</b>
<b>Total Liabilities and Equity</b>		<b>\$120,134.55</b>
<b>Out of Balance</b>		<b>\$0.00</b>

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**United States Egg Marketers (USE)****Income Statement**

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01/01/2004 to 08/31/2004

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**Income**

Interest	502.12
Golf Event Revenues	8,550.00

<b>Total Income</b>	<b>\$9,052.12</b>
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**Expenses**

Bank Service Charges	474.04
Postage	13.23
Golf Event Expense	8,162.04
Meetings	892.38
Taxes & Licenses	95.00
Management Fee	33,333.36
Board Liability Insurance	3,000.00

<b>Total Expenses</b>	<b>\$45,970.05</b>
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<b>Net Income / (Loss)</b>	<b>(\$36,917.93)</b>
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**USEM - EXPORT SALES****Sales since UEP assumed management of USEM**

Date of Sale	Country of Sale	Cases Sold	Sale Price	Eastern B.S. Quote At Time of Sale	Southeast Large At Time of Sale	Average Price Increase Over Following 30 Days
Dec. 1, 2000	United Kingdom	34	50 cents	36 cents	88 cents	\$1.01
Sept. 24, 2001	Germany United Kingdom	115	25 cents	28 cents	61 cents	69.3 cents
Nov. 1, 2001	Germany	137	25 cents	31 cents	76 cents	74.9 cents
Oct. 21, 2002	Germany United Kingdom Italy	250	35.5 cents	33 cents	68 cents	86.3 cents
Feb. 7, 2003	Germany Italy	300	38 cents	41 cents	79 cents	82.5 cents
Total Cases		836				

Higher than normal egg prices in the U.S. during the period of February 2003 and the spring of 2004 have not warranted an export of U.S. eggs to Europe. During the same period Europe was experiencing some of the same supply demand and price conditions of the U.S.

While egg prices have sharply declined in the U.S. and should warrant an export, we find that supplies within the European Union countries has been more than sufficient to meet demand.

USEM members have often considered exports when it appears the market is headed to lower price levels and an export would modify the downside. Exports have also been considered when domestic prices are below the costs of production.

Exports have also been considered when our good European customers need eggs. We need to maintain this relationship and be a good supplier whenever possible.

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## **USEM Annual Meeting October 2004**

### **Future Export Opportunities**

**Comments From: Jurgen Fuchs — Germany**

**(September 13, 2004)**

*"I'm pessimistic about any chances for those of us in Europe to import shell eggs from the United States anytime in the near future. European domestic prices have now been far too low for far too long. Breaking stock inventory is at high levels and coolers are full. Anytime the shell egg market shows some strength then breaking stock comes out and depresses the shell egg prices. Trade between the 26 member EU countries is balancing supply-demand in ways that limit the opportunities for importing U.S. eggs like never in the past. The overall consumer demand in the EU is probably down slightly. The only possible chance for an import of U.S. eggs may be in February or March of 2005."*

**Comments From: Steve Manton — United Kingdom  
(September 16, 2004)**

*"We are always in the market for shell eggs – at the right price of course. Don't get too excited though because the European market is in a right mess at the moment. We have never had as many laying birds in the EU – it has reached an all time high of 280 – 290 million. So, record high and record production in the EU. If we are to do anything then your egg prices will have to be very cheap. The exchange rates do favor USA exports. The US Dollar is weak against the Sterling and the Euro at the moment which does make USA eggs very attractive to us."*

*"I think you are aware of the additional import taxes that certain USA products are subject to when imported into England and the EU. The extra taxes are due to peak at 17% early next year, until then the tax continues to rise by 1% each month."*

*"We are quite comfortable that we can bring shell eggs into the UK (for breaking). Our inspectors/control will allow us to import shell eggs from all over the world as long as we give them a signed understanding that the eggs are for processing/breaking. They will not allow any eggs in if they are for consumption as table eggs."*

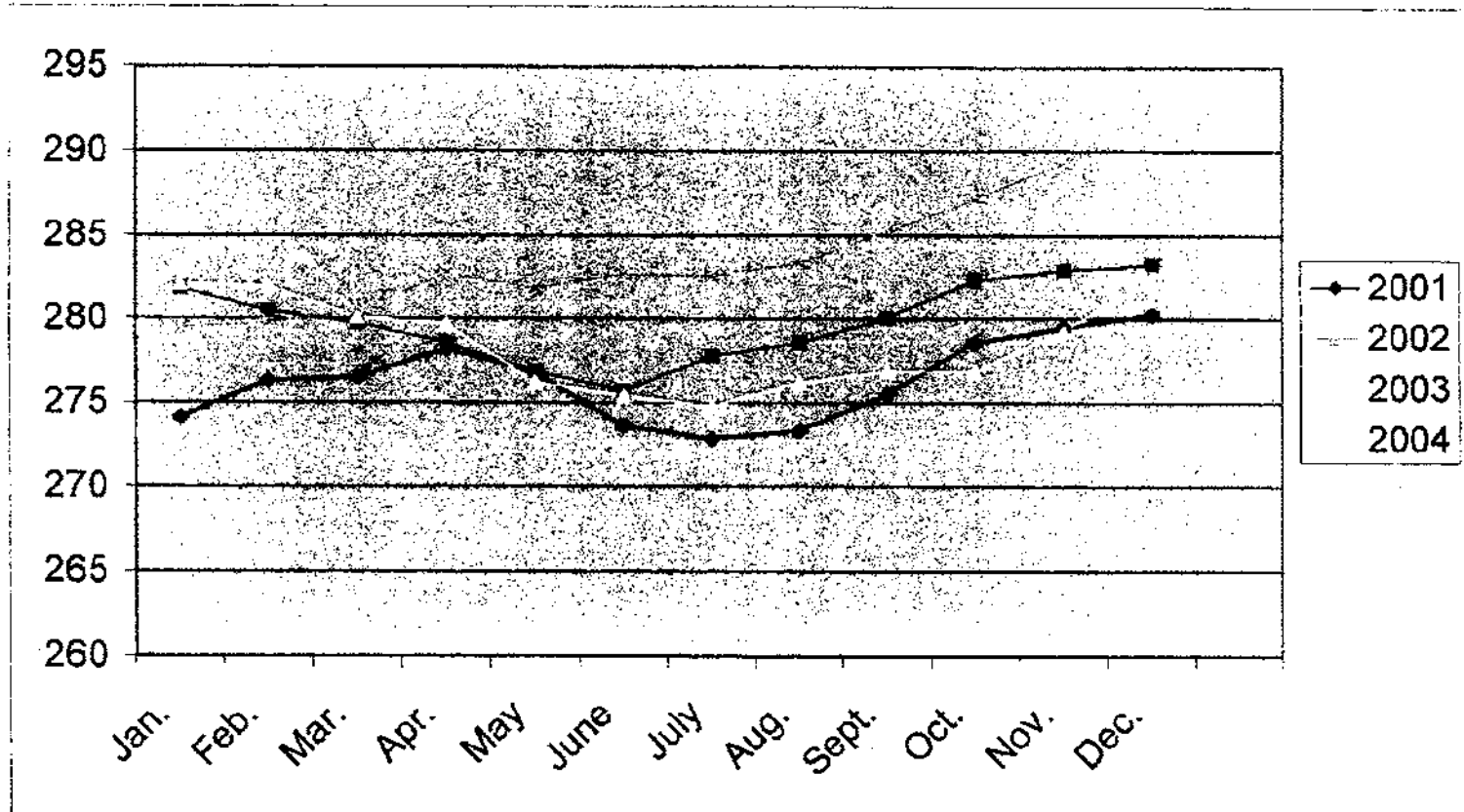
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**Monthly Hen Inventory**

(Million Hens First Day Of Month)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2001	274.1	276.3	276.5	278.2	276.8	273.6	272.8	273.3	275.5	278.6	279.5	280.3
2002	281.8	280.4	279.7	278.5	276.8	275.6	277.7	278.5	280.0	282.3	282.9	283.3
2003	282.1	282.0	280.1	279.7	276.2	275.4	274.8	276.2	276.9	276.9	279.3	282.4
2004	279.5	279.8	280.5	282.8	281.9	282.7	282.6	283.4	285.3	287.2	289.5	292.7

September - December 2004 are estimates.



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**United States Egg Marketers (USEM)  
Membership Agreement and Export Commitment**

1. Requirements for Membership: Membership is available to any person, firm or partnership (entity) engaged in the production of table eggs on farms owned, or leased by such entity and who agrees to the commitment below for participation in export sales.
  - a. House capacity of layers owned by applicant: \_\_\_\_\_
  - b. Of the hens listed on line 1-a, how many of them are on farms owned or leased by the applicant: \_\_\_\_\_
  - c. Of the hens listed on line 1-a, how many of them are on farms owned or leased by someone other than the applicant: \_\_\_\_\_ (such as a contract grower).

REDACTED

2. Membership Dues: UEP members may become USEM members by committing to the following export program without the payment of additional membership fees. Non-UEP applicants may become USEM members by committing to the following export program and upon payment of dues equal to the dues schedule of UEP.
3. Export Commitment: Our company agrees to participate pro rata in all shell egg export orders approved by the USEM Export Committee and taken by USEM. The level of export commitment will be determined by each members total layer number compared to the total layers of all USEM members.
4. Related Entities: In the event that several related or commonly owned entities separately perform various functions in the course of producing and marketing eggs, the applicant for membership in the company should be the entity that can meet the membership requirements set forth in paragraph (1) above and the certification should pertain to that particular entity, and not to any related or commonly owned entities.
5. Termination: This agreement may be terminated with 30 days written notice to USEM following the completion of any current export project. No termination shall be allowed during the continuation of any current USEM export commitment.
6. Certification: The undersigned hereby certifies as follows:
  - a. That all the information furnished herein is correct as of the date hereof.

REDACTED

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Company

\_\_\_\_\_  
Signed By:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Fax

\_\_\_\_\_  
Email